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SUBJECT: DOMINICAN TRANSITION #7: CONGRESS CONTINUES,
DESPITE DISARRAY

REF: SANTO DOMINGO 3358

11. (SBU) This no. 7 in our series on the transition to a new presidential administration in the Dominican Republic:

CONGRESS CONTINUES, DESPITE DISARRAY

When President-elect Leonel Fernandez (PLD) takes office August 16, the present National Congress will be only halfway through its four-year term. The PRD -- although no longer the ruling party -- will continue to dominate both houses of Congress, with 29 of 32 senators and the largest block in the Chamber of Deputies (72 of 150; compared with the PLD's 42 and the PRSC's 36).

Will Fernandez and the PLD secure enough cooperation from rivals in Congress to pass urgently needed legislation, including especially the IMF-mandated fiscal reform package delivered July 12 to the Senate?

The short answer from PLD contacts: "We had a slimmer representation in a PRD-dominated Congress from 1998-2000 than now, and we succeeded in passing legislation." For those two years the PLD had a single senator and 12 representatives; now they have a single senator and 42 representatives.

The short answer from the PRD: "The country is in an economic crisis, and we will put aside partisan bickering and work together to forge consensus on fiscal reform and other measures that are in the national interest."

Prospects for passing the tax reform package before July 27 adjournment are moderately good. At lunch with Treasury Under Secretary John Taylor on July 10, Congressional leaders

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declined to make that promise, but they did expect to complete a full round of hearings this session.

Beyond that single piece of vital legislation, prospects are much less certain. Congressional cooperation with the executive will depend on house leaders to be chosen August 16 for the next year. House of Representatives president Alfredo Pacheco (PRD) is unchallenged for a second term and has the support of all three major parties. He is a respected, thoughtful, and effective negotiator. The situation in the Senate is more contentious. Current president Jesus "Chu" Vasquez (PRD), although well regarded in civil society for enhancing transparency, has lost the support of 20 of the 29 PRD senators -- enough to remove him as presiding officer on August 16. He is likely to be replaced.

Vasquez's PRD colleagues were "irritated" by his sensible, non-partisan handling of the "ley de lemas" proposal in February, when the PRD tried to alter the electoral law in support of President Mejia's re-election bid. According to a PRD congressman, the Senators also disliked Vasquez's receptiveness to an audit of the GDR's accounting court ("Camara de Cuentas") following revelations in May by another PRD senator of irregularities in the court's administration. In June a majority of PRD senators voted down the audit. The court has received IDB assistance since 2001 to reform and modernize its procedures.

Vasquez's successor will be 2001-2003 Senate president Andres Bautista, who now chairs the Senate trade committee. Bautista has a record of cooperation with the Embassy and is close to Mejia. He was the only senator to attend the July 10 lunch with Under Secretary Taylor, since most were on a trip to Taiwan. Bautista's experience and prominence will be an asset in negotiations with the new PLD administration on its legislative proposals. Even so, Bautista has a reputation among some PRD lawmakers as being very responsive to Mejia and his PPH faction. The common wisdom is that

Mejia designated Bautista so as to reinforce his own influence in preparation to oppose Fernandez. For now, most PRD senators appear ready to continue taking orders from Mejia.

Forging consensus on Fernandez's proposals will depend on the dynamics of "cohabitation" -- and the dynamics between the PRD and PRSC, both in opposition. Discipline could falter among PRD and PRSC legislators as their parties regroup from their poor showing in the presidential election. When the PRD tried to choose its next whip (vocero) in the Chamber of Deputies July 7, one-fourth of the party's representatives -- including three other contenders for the job -- were absent. The PRD convention in November will provide the first full test for Mejia. Current Vice President Milagros Ortiz-Bosch heads the convention organizing committee; unsuccessful vice-presidential candidate Rafael "Fello" Subervi (PRD) leads the GODR's transition team. In his banishment, outspokenly anti-reelectionist former PRD president Hatuey De Camps retains some influence and media visibility. All will try to loosen the grip of Mejia and his PPH faction.

The PRSC is coming apart. Reformistas who defected to support Fernandez include former Dominican vice presidents Jacinto Peynado and Carlos Morales Troncoso and former chief executive Donald Reid Cabral. In early July they published a "communique to the nation" signed by the "Provisional Presidential Council" denouncing the current PRSC leaders as out of touch with the voters and the times. They expressed their desire to present "specific proposals to ensure the frequent renewal of PRSC leadership" and "development of a modern democratic party." They praised Fernandez for his campaign promise to form "a government of national unity."

Other senior Reformistas including legislators and the Estrella group held a "day of unity and reflection" June 27, and some proposed a party assembly to select new leaders. On July 9 the PRSC Executive Committee postponed the assembly until sometime after August 16, on the excuse of reorganizing before selecting delegates. No one knows how many would show up at an assembly -- an existing outdated list shows several thousand. No response to the defectors has been agreed. Veteran party president Rafael Bello Andino, amid a crescendo of criticism of his ineffectiveness, resigned July 11 -- but by a vote of 17 to 11, the Executive Committee refused to accept his resignation. For now, Reformista legislators are a leaderless lot.

12. (U) Drafted by Bainbridge Cowell.

13. (U) This report and others in our election and transition series can be read on the SIPRNET at <http://www.state.sgov.gov/p/wha/santodomingo/> index.cfm along with extensive other current material.
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